



# Wisconsin *Ready for Reuse* Loan & Grant Program

RR-753

February, 2006

*Ready for Reuse* is a Wisconsin Department of Natural Resources (DNR) loan and grant program that helps local governments clean up environmental contamination at brownfields.

The DNR is leading this effort through the Wisconsin Brownfields Coalition (WBC), a partnership involving the departments of Commerce and Administration and Wisconsin's nine Regional Planning Commissions. The WBC received funding for this program through a U. S. Environmental Protection Agency (EPA) Revolving Loan Fund grant.

## Funding

Approximately \$4 million is available for the total Ready for Reuse program. Funds can be used for:

- cleanup of contamination from hazardous substances or hazardous substances commingled with petroleum; and
- cleanup of petroleum contamination that is not eligible for Petroleum Environmental Cleanup Fund Act (PECFA) reimbursement.

## Loans

At least 60 percent of the total funds are available for loans. All loans will be zero-interest and are for long-term projects. Due to federal reporting requirements, applicants should give strong consideration to applying for larger loan amounts (e.g. \$250,000 or greater). Loan amounts will be limited by available funding.

**Please Note:** In order to secure a loan from the DNR, local governments will have to incur municipal debt through the issuance of a general obligation pledge. Thus, a loan will count against a municipality's debt capacity.

## Grants

Up to 40 percent of the total funds are available for grants. The maximum grant amount is \$200,000 per property. Grants will be given to projects that can be completed in two years. The local government or tribe must own the property.

## Eligibility

Most of the eligibility criteria are dictated by the source of the federal funding, EPA's Brownfields Program.

## Eligible Applicants

- The applicant must be a local governmental unit (city, village, town, county, redevelopment authority, community development authority, tribe or housing authority) or tribal authority.
- The applicant must not have caused the contamination and cannot have liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- The current property owner, if not the applicant, also cannot have liability under CERCLA and cannot have caused the contamination on the site.

**Please Note:** If a loan applicant does not own the subject property, both the property



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owner and the loan applicant must meet one of the liability protections under CERCLA. For more information, please see EPA's "Common Elements" web publication listed at the end of this fact sheet.

### ***Eligible Sites – Hazardous Substance Funds***

- The site must meet the federal definition of an eligible brownfield, which is "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."
- The site can not be listed on the Superfund National Priorities List, or is not proposed for listing.
- The site is not the subject of a federal administrative order, a court order, an administrative order on consent or judicial consent decree that has been issued or entered into.
- The site is not a facility that is subject to the jurisdiction, custody or control of a department, agency or instrument of the United States, except for land held in trust by an Indian tribe.
- A site will be eligible depending on the date of purchase. The applicant must have performed due diligence that was standard practice at the time of purchase. The current standard for sites purchased in the last several years is Phase 1 and Phase 2 Environmental Site Assessments conducted in accordance with American Society for Testing and Materials (ASTM) guidelines. For more information about relevant federal requirements, please see EPA's "Common Elements" publication listed at the end of this fact sheet.
- For properties that have satisfied the Superfund municipal liability exemption, due diligence requirements do not apply. The exemption is granted for properties

acquired through specific means, including municipal acquisition through tax delinquency; condemnation; eminent domain; escheat; for slum clearance or blight elimination, or for acquisition from another local government that acquired the property in one of these ways.

### ***Eligible Sites – Petroleum Funds***

- The site must meet the federal definition of an eligible brownfield, which is "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."
- The site or costs must be ineligible for the Wisconsin Department of Commerce's Petroleum Environmental Cleanup Fund Award (PECFA) reimbursement.
- The grant or loan recipient must not have contributed to contamination, and there are no persons responsible for the contamination that are both subject to an environmental enforcement action and able to pay for the cleanup.
- There must be no federal enforcement action under the Resource Conservation & Recovery Act (RCRA), obligation under the federal Oil Pollution Act (OPA), or use of federal leaking underground storage tank (LUST) funds at the site. The DNR can help make this determination.

### ***Eligible Activities***

- Cleanup actions. Includes actions associated with removing, mitigating or preventing the release or threat of a release of a hazardous substance, pollutant, contaminant, petroleum product or controlled substance into the environment (e.g. air, land or water).

- Demolition or Site Preparation. Only if necessary to implement a remedial action plan (RAP) and pre-approved by the DNR. Includes asbestos- or lead-mitigation costs only if removal is required to access contaminated soils beneath a surface.
- Site Monitoring. Includes reasonable and necessary sampling and analysis during the cleanup process and determining the final effectiveness of the cleanup.
- Environmental Consulting Fees. Includes only those fees necessary to implement the cleanup.
- Public Participation Costs. Includes any costs associated with meeting community involvement requirements, worker health and safety activities and interagency coordination.
- DNR Fees. Includes fees for the review of cleanup plans and activities, including fees for the Voluntary Party Liability Exemption (VPLE).
- Environmental insurance fees and premiums.

### ***Ineligible Activities***

- Site Investigation and Phase I or II environmental assessments.
- Demolition that is not necessary to clear the area and conduct the cleanup activities.
- Cleanup costs of a naturally occurring substance (e.g. arsenic or radon), lead-based paint or asbestos.
- Project administration, appraisal costs, application costs and contingencies.
- Acquisition or relocation costs.
- Development costs that are not part of the RAP.
- Public improvements or infrastructure costs.

- Expenses imposed by other regulatory programs (e.g. site erosion control plans, stormwater management, etc.).
- Legal fees.

### **Financial Requirements**

Loan and grant applicants must provide a minimum of 22 percent of the requested funds as a match contribution. Other state or local (but not federal) grants may be used as "match," provided that the grant and loan periods overlap, the grants are for eligible cleanup activities and those activities will be incurred during the same time period. Grant funds must be spent in two years.

### **Project Selection Preferences**

Projects that meet the following DNR criteria will receive the highest consideration,

#### ***1. Project Readiness***

Preference will be given to projects which are "ready to go." Specifically, we are looking for projects that have a DNR-approved Site Investigation Report (SIR) and a complete RAP that have been submitted to the DNR.

#### ***2. Community Need***

Preference will be given to areas in Wisconsin with one or more of the following: high economic distress, high unemployment rates, high poverty rates, recent plant closing or other related factors.

#### ***3. Project Location***

Grants and loans will be awarded to a balanced mix of urban and rural projects around Wisconsin.

#### ***4. Financial Status***

Preference will be given to projects that would be unlikely to advance without this funding. However, the project must also have sufficient funding to complete the cleanup.

### 5. *Other Preferences*

Preference will also be given to projects with waterfront locations, that contribute to public accessibility of greenspace, and that contribute to sustainable development or conform to a local land use plan.

## **The Application**

There is no deadline to apply for Ready for Reuse funding. However, it is highly recommended that you meet with DNR staff prior to submitting a final application for the program. Contact Jessica Milz at 608-267-6743 or [jessica.milz@dnr.state.wi.us](mailto:jessica.milz@dnr.state.wi.us), to schedule a meeting.

Prior to this meeting, please visit the Ready for Reuse web site listed on this page to get a full understanding of the state and federal program requirements and reporting commitments. You may also want to fill out *Application Part I: Eligibility Determination* (Form 4400-238) for the Ready for Reuse program prior to meeting with the DNR. This form, as well as *Application Part II: Project Scoring & Financial Details*, is available on the Ready for Reuse web site.

## **First Steps**

Applicants interested in applying for the Ready for Reuse Program should contact DNR staff now and begin preparing by:

- visiting the DNR's Ready for Reuse web site listed on this page under "DNR & EPA Resources;"
- documenting due diligence conducted at the time of purchase (if applicable);

- receiving DNR approval on a Site Investigation Report;
- preparing the Remedial Action Options Plan and submitting it to the DNR; and
- for loan applicants, retaining a bond counsel or attorney who specializes in municipal financing, and conducting a financial analysis.

## **DNR & EPA Resources**

- DNR Ready for Reuse web site:  
[http://dnr.wi.gov/org/aw/rr/financial/epa\\_revolvingloan.html](http://dnr.wi.gov/org/aw/rr/financial/epa_revolvingloan.html)
- Final legislation - s.292.72, Wis. Stats.:  
<http://www.legis.state.wi.us/statutes/Stat0292.pdf>
- EPA "Common Elements" Guidance Reference Sheet:  
<http://www.epa.gov/compliance/resources/policies/cleanup/superfund/common-elem-ref.pdf>
- EPA Brownfields Revolving Loan Information:  
<http://www.epa.gov/swerosps/bf/rlflst.htm>

## **Contact Information**

Contact Jessica Milz at 608-267-6743 or [jessica.milz@dnr.state.wi.us](mailto:jessica.milz@dnr.state.wi.us) with any questions about the Ready for Reuse program.



This document contains information about certain state statutes and administrative rules but does not necessarily include all of the details found in the statutes and rules. Readers should consult the actual language of the statutes and rules to answer specific questions.

The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services, and functions under an Affirmative Action Plan. If you have any questions, please write to Equal Opportunity Office, Department of Interior, Washington, D.C. 20240.

This publication is available in alternative format upon request. Please call 608-267-3543 for more information.